GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1997
ANSWERED ON:02.12.2002
RECOVERY OF LOANS
ALE NARENDRA

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether Khadi and Village Industries Commission (KVIC) isresponsible for effective recovery of loans which were advanced to Non-Governmental Organisations (NGOs) by the banks on its recommendations;

(b) if so, the details thereof;

(c) whether the Government are giving further grants in aid to KVIC despite its dismal performance; and

(d) if so, the reasons therefor and the action proposed to effect recovery of loans advanced by banks?

Answer

THE MINISTER OF STATE FOR AGRO & RURAL INDUSTRIES (SHRI NIKHIL KUMAR CHOUDHARY)

(a): No, Sir. However, the Khadi and Village Industries Commission (KVIC) is responsible forrecovery of loans advanced by the KVIC.

(b): Does not arise.

(c): The Central Government provides financial assistance in the form of loans and Grants to the Khadi and Village Industries Commission for the development and promotion of Khadi and Village Industries. The KVIC under Rural Employment Generatior Programme has been able to create 14.42 lakh job opportunities by 31.03.2002.

(d): The KVIC is not perceived to be a financial institution. In order to improve the quality of proposals, the `Pattern approach` has been replaced by the `Project approach` under which the loan proposals are now appraised by the Banks who are responsible for the recovery of loans.